Regional Policy in Post-Industrial Japan

Abstract

In the modern postindustrial world most countries are involved in globalization and regionalization processes. Therefore, regional development is becoming an important part of state policy. This paper studies the historical and geographical aspects of regional planning development in Japan in the post-war period. Special attention is drawn to the changes to the regional policy concept which have occurred in the last two decades: from the ‘homogenous’ concept of developing all regions in the same way to the new ‘multipolar’ trend, which emphasizes the most outstanding features and advantages of each particular region, its opportunities and strong points. The cases of two regions, Hokkaido and Tohoku, illustrate this policy and the relations between different levels of authorities and the main actors of regional policy implementation.

Keywords: Japan, regional policy, development, Hokkaido, Tohoku.

Introduction

Nowadays most countries in the world are involved in the process of regionalization. Local economies are becoming more independent and self-sufficient. The role of the state and local governments in creating state and regional development strategies is becoming more important. It is usually impossible to solve all the regional problems as they are caused by objective reasons, including social and ethnic issues, uneven distribution of population and resources, differences in economic development, etc. However, many developed countries have succeeded in regional policy issues.

Japan is one of the few countries implementing comprehensive and efficient regional policy at both national and local levels. The system of regional planning in Japan is constantly changing and adapting to the aims of the country’s development. The main purpose of this research is to study the organizational methods and special features of regional policy implementation at different stages of development. Special attention is drawn to the changes of the regional policy concept which have occurred in the last two decades: from the ‘homogenous’ concept of developing all regions in the same way to the new ‘multipolar’ trend, which emphasizes the most outstanding features and advantages of every region, its opportunities and strong points. This change coincides with the global change from industrial to postindustrial societies and economies. Multipolar regional policy tends to be more socially-oriented, and based on local-scale projects and interaction between local people and authorities throughout the country.

In this research, special features of Japanese regional policy are presented in the cases of Hokkaido and Tohoku regions. The research methodology for this paper includes an analysis of official documents combined with geographical approach.
Regional policy basic concepts

There are different approaches to studies of regional policy and regional questions. Even the main definitions can differ substantially. We will define the term ‘regional questions’ as meaning the socio-economic problems which occur in regions in a different way and extent.

There are also different definitions of regional policy. The Oxford dictionary defines it as a policy adopted by a government, aimed at redressing uneven development within a country.¹

The definition of regional planning in Prof. E.B. Alaev’s work is that it is part of a regional policy including program and strategy development for one or more regions, or parts of national development plans and programs concerning regional policy principles and measures.²

Japan is one of the countries that use regional planning in its comprehensive form. That means the existence of two interrelated systems of state plans: Comprehensive National Development Plans and National Land Use Plans. There are also various administrative and territorial levels of plans. The main concerns of the Comprehensive National Development Plans are state-level issues: sustainable economic growth, quality of living etc.

The main aspects of these plans are orientation for private sector and for governmental institutions. The government meets most expenses on the economic infrastructure creation (in the form of direct investments or private business financial support). Such projects are mentioned in the long-term National Development Plans which have existed in Japan since the 1950s. Moreover, as of 1962 the Japanese Diet has started to develop Comprehensive National Land Use Plans in parallel with National Development Plans. These plans are intended to implement regional policy, contribute to regional disproportions reducing and provide the basis for well-balanced state development. The Economic Development Bureau and MLIT (Ministry of Land, Infrastructure, Transport and Tourism) develop National Land Use Plans.

The Russian researcher I. Timonina offers the following classification of plans:

1. On the geographical basis: apart from the comprehensive plans relevant for the whole country, there are regional, prefectural, local plans etc.
2. Based on planning subjects: developed by the Japanese government, prefectural or city authorities, private companies etc.³

This classification is not very precise, as administrative level of planning cannot be called geographical basis. In addition to this, the classification is not correct. The sound decision, in my opinion, is to speak of different administrative and territorial

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² Enrid B. Alaev, Regional’noe planirovanie v razvivayushchisya stranah [Regional Planning in Developing Countries], Moscow: Nauka, 1973, p. 19.
levels of multi-level regional planning, though there are exceptions such as Hokkaido regional planning, which is regulated by both the central and regional governments.

One of the most important features of Japanese regional planning is the cooperation and interrelationship between different levels of institutions and plans. Despite the complexity of the planning system, it is considered quite effective. For example, regional development plans are connected with National Land Use Plans and National Development Plans. These take into account current trends of socio-economic development, territorial structure changes and so on. Regional and prefectural plans have more specific goals which are important for the individual areas.

The regional planning system in Japan is constantly being reformed. For example, one innovation was introduced in 2005, when the government started to develop New National Land Sustainability Plans. The goal of the new system is to consolidate

Fig. 1. Regional planning system reform, 2005

Source: http://www.hkd.mlit.go.jp/eng/05.html.
state and regional plans. The regional plans include precise measures that have to be carried out to contribute to regional development. All in all, this reform is intended to make the regional planning system simpler, and separates different regions and their directions of further development based on their features and resources.

This system does not include the creation of plans for Hokkaido and Okinawa, as regional planning for these prefectures is based on the activities of special Bureaus. Nevertheless, they interact indirectly.

**Regional policy in Japan: Main stages**

In this article, we will study regional problems at different stages of Japan’s development, as well as the measures taken to solve them under different socio-economic development plans and comprehensive national land use plans.

Regional policy in Japan has existed since the Meiji era, when the entire country was modernized, and the government started to develop some of the regions (such as Hokkaido and Okinawa) which had just become parts of Japan and were settled by local minorities.

Since the post-war period Japan has started to implement a comprehensive policy based on the regular planning system. The main special policy concept in this period is called *homogenous development*. The idea of this policy is to develop all the country’s territory in order to modernize the industry and infrastructure in the aftermath of World War II.

Regional development in this period was regulated by the Comprehensive Development Plan for special areas, which was developed in 1950. The core projects of this plan were 22 major water systems. The goals included an increase in food production, the development of electric power resources, the management of forests and riparian areas, and the development of unused resources. ⁴

However, at this stage the main goal of state policy in the 1950s was the economic development of Japan, based on a dependency on foreign capital & technologies and the absorption of these technologies, and not much attention was paid to regional disproportions. Priority was given to the production of coal, iron and steel, electricity and fertilizer, which caused a trickle-down effect to other industries.

The fast economic growth of the 1950s caused regional problems such as overpopulation of agglomerations and significant regional disproportions between different prefectures. Regional policy in the 1960s was based on some parts of the government’s income-doubling plan (1961–1970) and the 1st Comprehensive National Development Plan (1960–1970). The key clauses of these plans coincided with each other. First of all, they intended to limit the further concentration of industry in the four largest industrial zones of Japan. Secondly, they aimed to narrow the gap between the various regions’ development levels.

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The plans were formed in accordance with a new concept, which was called *polarized development*, which implied the creation of growth poles which could influence on the ‘hinterland’ development; industry in mid-sized cities, and the creation of transport infrastructure.

The main idea of the 1st Comprehensive National Development Plan is reflected in its title, ‘Regionally balanced development’. The goal of this plan was to diversify and develop industry, mostly in the medium and smaller cities of the Pacific belt. However, the other regions’ development was less aided by these plans. The road building was concentrated in the Pacific belt, while highways were lacking in other parts of the country. This lead to the origin of even greater disproportions in regional development.

The adoption of this plan had a great political impact on the development of interactions between the Japanese Diet, central government, prefectural governments and municipal authorities. As it was the first plan in which local concerns were taken into account, many local governments took part in industrial development in accordance with the plan’s concept.

Diet members from agricultural areas quickly organized an agricultural area support association and pointed out the political importance of the backward rural areas, arguing that the most important policy issue confronting Japan should be the correction of interregional income inequalities. The association opposed the concentration of investment in the Pacific belt area. As a result of its insistence, an unexpectedly large number of development areas were designated, and a decision was made to disperse the investment.

At the same time, the construction of new industrial cities started as part of the 1st Comprehensive Plans. Both prefectural and municipal authorities were interested in obtaining grants and loans. That is why many local governments supported the building of large-scale plants and factories on their areas using various instruments.

Another reason for the support for industry was the fact that the main sources of municipal governments’ income are property taxes and part of income taxes. As a result, in 1966 as many as around 70% of local governments developed special programs supporting local industry. These privileges generally included the following: new factories received exemptions from property taxes for three or five years; the factories received donations of part of their sites; and local governments carried out investments in public works (such as widening & repairing roads and improving harbors) that benefited the activities of the factories.5

These regional policy measures led to a range of consequences. On the one hand, many Japanese cities became centers for socio-economic activities, growth poles of their areas. On the other hand, it later became obvious that this caused overpopulation of the cities and the subsequent emergence of many urbanization problems, together with the depopulation of rural areas.

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The 1970s saw the GDP growth rate significantly reduced. The 1973 global oil crisis stopped the Japanese ‘economic miracle’. Unevenness remained the core problem of regional development, first of all in the location of industrial sites. Many promises given by regional authorities were not kept, or did not bring the expected effect. Even in some areas where big industry actually invested, the benefits did not materialize because the very incentives of property tax reductions and exemptions offset the amount of income expected.\(^6\)

What is more, during the ‘economic miracle’ period, the country faced significant ecological problems, which are also in fact regional problems. The greatest impact on the environment was caused right in the Pacific belt zone where main industries were concentrated.

Ecological problems led to the emergence of citizens’ movements. These were composed of groups of local residents whose actions were intended to influence government decision-making; in Japan, they were especially noticeable in the early 1970s regarding environmental pollution. At that time, the number of these organizations ranged from several hundred to more than a thousand.

Generally speaking, these movements can be divided into movements in urban areas and in nonurban areas. The urban movements were concerned not simply with environmental pollution, but also rational city planning, protecting national cultural assets, and a broad range of urban issues. One such movement succeeded in blocking the creation of a giant petrochemical complex in the city of Mishima, in Shizuoka prefecture. Citizens’ movements in rural areas were mostly intended to protect the environment and human rights, but were not as popular as urban ones.

The 1970s was a period of large-scale projects in regional policy. The goals of these projects were to create infrastructure and develop industry, in which both state and private capital were involved. In 1972 Prime Minister Tanaka suggested industry location throughout Japan’s territory. This is mentioned in the basic plans of that period: the economic plan of 1964–1968, the Plan for Economic and Social Development of 1967–1971, and the 2nd (New) Comprehensive National Land Use Plan (1969–1985). All of them actually described measures that would lessen the uneven regional development.

The Comprehensive Plan was supposed to solve this problem by building the Shinkansen express railway as well as a wide network of automobile highways, giant port complexes and industrial sites, all while taking new environmental standards into account.

It is important to note that in the 1970s some local programs were developed together with the citizens of the affected areas. The city of Yokohama was one of the first to establish a direct dialogue with its residents. The mayor used a so-called ‘conference of ten thousand’, ‘consultations with citizens’ and citizens’ councils in

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\(^7\) Ibid., p. 46.
every ward. In 1970, the city of Kobe began to revise its master plan. An advisory commission was founded in July 1974, and administrative officials met citizens in seventy-five places with a total of 4943 participants.7

All these events increased civic engagement in regional development processes, as well as their contacts with government. The government started to take the needs of particular regions’ populations and their points of view into consideration.

The next stage, from the 1980s to the early 1990s, is a period of significant change in the direction and methods of regional policy. It was the first time when the government changed its approach to solving regional problems: from imposing the same, uniform policy for all areas to planning aimed at taking regional peculiarities into account, and taking care for the specific character and potential of each region’s development.

Regional disproportions remained the most serious and important problem, but the previous plans had already wrought their effect. Even industry in the most backward regions, such as Okinawa, Hokkaido and Shikoku, had become more diversified, and the share of the tertiary sector in the economy and lifestyle had increased significantly. During the ‘bubble economy’ period in the late 1980s, there was an opportunity to pay special attention to ecological issues, cultural assets, the preservation of national parks, etc. The social part of regional policy started to become more and more important. The authorities started to understand the need to provide for equal facilities and quality of education, cultural & medical services, and the safety & sustainability of citizens’ living conditions.

All the above-mentioned aims were included into the 3rd Comprehensive Development Plan (1975–1985), which suggested a new concept of forming 200 or 300 integrated residence areas (tejuken), with each area suitably structured to offer local employment, education, cultural activities, medical services and so forth. The objective of this concept was to promote the decentralization of population and to offer jobs away from the crowded Pacific Belt. The central thrust of the program was the creation of employment opportunities for rural youth within commuting distance of their homes. The plan went beyond the provision of job opportunities, and stressed the importance of providing a total environment for living. It underlines the necessity of making local cities more attractive.8

However, the formation of these integrated residence areas faced various problems. One reason was that it did not deal with new economic trends, such as the growing importance of hi-tech industries and innovations. As a result, the plan’s realization was stopped in 1980. The Japanese government invented and developed the new project called ‘Technopolis’ (hi-tech industrial complexes located throughout Japan but away from the main agglomerations).

The Technopolis project was developed for ten years and published in 1980. These complexes were created to develop innovations and new industries, but also to boost

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the regional development. One of the very important features of these technopoleis was the participation of prefectural authorities in their work, as the prefectural governments covered most of the expenses.

The planning was also made on the prefectural level. Many of these technopoleis were located away from the Pacific Belt. There were especially many of them in Kyushu.

In addition to this, the technopoleis were based on small- and medium-sized enterprises, which were considered to be more effective in the hi-tech sphere. This consideration made the development of many local small companies possible. This was supposed to solve the problem of Pacific Belt over-population and lead to decentralization. This approach contributed to the development of many small businesses, but did not significantly change the regional disproportions in the economy. Moreover, many small- and medium-sized companies did not have a good level of technical equipment and opportunities, and so were inefficient.

The technopoleis created impulses for spatial development. However, the government’s attempts to change the traditional tendencies to locate industrial and scientific complexes in the most developed parts of Japan were not successful.

The 1990–2000s was a period of economic stagnation and crisis in Japan, and obviously the huge projects like those of the 1970s and 1980s were just impossible at this time. The main regional policy goals in this period were the creation of a multi-axial national land structure, sustainable development and participation, and cooperation between different organizations and initiative groups. Ecological issues also became very important. These ideas were presented in the National Development Plan of 1992–1996, the 4th Comprehensive Development Plan (1987–2000) and especially in the 5th Comprehensive Plan, ‘A grand design for the 21st century’ (1998–2015).

The regional disproportion problem transformed from competition between Japanese regions to competition between regions of different countries, mostly in East Asia. Even the most developed Japanese prefectures have begun to face economic problems. One example is the Kinki region, with its economic center in Osaka, which faces depopulation and industrial transformation. In other words, to achieve successful endogenous development, the regions need to find new impulses and resources depending on their special features and traditions. This new concept is called multipolar development. The thrust of this concept is decentralization, not only of industry, but also of research, education, communication, culture, management, etc.

Problems such as the aging population (especially in rural areas), and the lack of social infrastructure for elderly people, are becoming more acute. To solve these problems, the cooperation between different levels of authorities, private sector and scientific organizations should be stronger.

It is important to notice that instead of any significant change in the concept, there has been a succession of plans. One of the main ideas remains the creation of growth poles, in the form of technopoleis in the 1980s or industrial clusters in the 1990s and 2000s.
We can speak of a mixture of two approaches: **exogenous regional development** (i.e. a process of development promoted by governments utilizing outside resources with legal controls, technical innovation, etc.) and **endogenous regional development** (i.e. a process of development promoted by the initiative of local people with the use of local resources based on local culture, traditions etc.).

Let us examine two cases, of the Hokkaido and Tohoku regions; study their regional development peculiarities, main challenges and approaches to solving regional problems.

**Hokkaido case**

Since the establishment of the Hokkaido Colonization Commission (*Kaitakushi*) in 1869, the Japanese Government systematically developed Hokkaido under its special development policy for the purpose of contributing to the stability and development of the nation as a whole, by utilizing Hokkaido’s abundant resources and vast land area. Since the enactment of the Hokkaido Development Law (Law No. 126, 1950), the government has specifically formulated the Hokkaido Comprehensive Development Plan over six terms, based on the law, and actively developed Hokkaido in order to help address national problems of the time, such as revitalizing the economy and increasing food production, as well as appropriately distributing the population and the location of industries. As a result, Hokkaido’s population, which was approximately 58,000 in 1869, increased to more than 5 million during a development period of just over a century. With a Gross Prefectural Product (GPP) of approximately 20 trillion yen, Hokkaido has now established a regional economy and society corresponding to that of a European nation such as Finland or Ireland. As a major source of food supplies and base for tourism and recreation, Hokkaido is contributing greatly to the stability and development of Japan as a whole.\(^9\)

During the 20th century, Hokkaido has been the object of many development plans and projects. Its prefectural development plans are coherent with National Plans. A short overview shows the following stages:

- **1980s** – Hakodate Technopolis. Seikan tunnel building (connects Aomori and Hokkaido).
- **1990s** – Regionalization, tourism development. Shin-Chitose airport.

The main projects are presented on the map (Fig. 2).

During the planning system reform in 2005, the new MLIT organs were formed: the Hokkaido Bureau and the Hokkaido Regional Development Bureau. They are interdependent and interact with each other (Fig. 3).

Special attention is drawn to the development of tourism, sustainable ecological conditions, and high-quality social infrastructure. Hokkaido is the center of several innovation projects, the most significant of which is Supercluster Hokkaido: IT- and biotechnologies.

However, it has undergone a transformation typical of all Japanese regions, which was already mentioned above: from large-scale to small-scale projects based on local initiative, and from central development to the revitalization of all subprefectures.

Some of the local projects are seen in Figure 4.

I have created the subprefecture typology for Hokkaido based on the prevalent type of regional policy directions. As we can see on the map (Fig. 5), all the region
Fig. 3. Hokkaido development management system

is involved in revitalization and development activities, but the central areas have a more complex policy.

To sum up, this multipolar policy is considered suitable for a region such as Hokkaido, which was considered backward due to insufficient industrial development. However, some towns (such as Yubari) have faced bankruptcy and other problems. This town, located in Sorachi subprefecture, has a population of about 13,000 people, with 41% of the population 65 years and older. It used to be a coal-mining center, but nowadays it is known as a tourist center for skiing and also for its local brand of melons. It faced bankruptcy in 2007. The hospital, town museum, and park were closed, and 152 of the 300 employees of local government quit after the bankruptcy.

Sometimes this situation is connected with incorrect regional policy, but this is probably a problem of poor management. For example, another town with a similar
population and location, Yubari (a.k.a Kutchan), became the Japanese leader by real estate price growth (40.9% during 2007–2008) and managed to attract tourists not only from Japan, but also China, Hong Kong and Korea.

**Tohoku case**

Tohoku is the region which suffered the Great East Japan earthquake in March 2011. Perhaps what comes as the biggest surprise is the high number of people still displaced by the combined disaster. As of last month 315,196 persons were still living in temporary prefab housing, public apartments, and private homes that took these people in.10

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The Tohoku case shows both advantages and disadvantages of Japanese regional policy. On the one hand, it showed the flexibility of governmental plans and the ability to create a revitalization program in a short time. On the other hand, critical attention has been called to the tendency of local officials to wait for and depend upon the central government to make and initiative recovery plans, rather than to take the lead themselves.

The system of recovery plans creation is hierarchic, as we can see in Figure 6.

![Hierarchy of revitalization plans in Tohoku](source)

*Fig. 6. Hierarchy of revitalization plans in Tohoku*


The main document regulating the Tohoku policy is ‘Basic Guidelines for Reconstruction in response to the Great East Japan Earthquake’. Its main concept includes the following points:

- The main administrative actors are the municipalities.
- The central government presents guidelines for reconstruction and provides support in finance, human resources, know-how and other aspects.
- Reinforcing bonds with the international community: ‘Reconstruction open to the world’.
- Budget: ¥23 trillion in the next 10 years (¥19 trillion in the first 5 years).
- Create ‘a system of Special Zones for Reconstruction’.
- Measures for nationwide disaster prevention and reduction.

There are also prefectural recovery plans and even local-level community plans. The system of community involvement includes a survey of all residents, town-planning meetings in neighborhoods, community gatherings, and the engagement and support of academic and business experts in the activities of the disaster recovery planning committee.
A new governmental agency, the Reconstruction Agency, was established on February 10, 2012. It is responsible for the planning and coordination of the national policies and measures for reconstruction, supporting the efforts of local governments for reconstruction. The head of the agency is the Prime Minister.

If we study the public finance issue, the total revenues of the 227 municipalities designated as disaster-struck municipalities amounted to ¥7,243.0 billion, increasing by ¥1,266.1 billion year on year, or 21.2% (a 1.7% increase on a national basis). This increase in revenue is achieved by raising the local allocation tax (revenue-sharing system among local governments throughout Japan) and the national treasury disbursements (Fig. 7).


Despite the government’s efforts to revitalize the Tohoku economy, the statistics highlight the gap between the present level of various measures of economic activity and people’s livelihood and those in the hours before the disaster. In the key aquatic products processing sector, recovery in Iwate prefecture stands at 76%, in Miyagi prefecture at 65%, and in Fukushima at 72%. Harvesting of seaweed and oysters is at 70%, 54%, and 64% in the provinces, respectively, on a volume basis, and 63%, 62%, and 35% on a value basis. As for return of farmland to cultivation, the level stands at only 15% in Iwate (although at 98% for rice cultivation), 47% in Miyagi (98%), and 8% in Fukushima (83%).

The frustratingly slow pace in much of the recovery owes in large part to the complexity and layering of the devastation. It combined direct destruction (and depopulation), including wiping entire small cities, off the map by the earthquake and tsunami; the pollution of thousands of square kilometers of agricultural land with seawater; and, of course, most of all, the contamination of the air, earth, and water by radioactive materials released from the Fukushima nuclear power plant.\(^1\)

This complicated situation has made local people willing to get involved into the recovery process. For example, TPF\(^2\) is a group of volunteering professionals based

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\(^1\) Ibidem.

\(^2\) TPF
in Tokyo that aims to facilitate the exchange of local groups, projects and initiatives from the disaster hit area of Tohoku in northern Japan with international experts and professionals from various fields by hosting the Tohoku Planning Forum. It has a website collecting all local initiatives, which number over a hundred projects and plans.\textsuperscript{12}

**Conclusion**

Postindustrial Regional Policy in Japan is a ‘multipolar’ policy aimed at contributing to the revitalization and sustainable development of all regions, prefectures and municipalities. The main sources of regional development are local peculiarities and advantages, human resources, and local initiatives.

Nowadays most attention is paid to the Tohoku region as it recovers from the Great East Japan Earthquake. However, other regions are also involved into the development policy. The regional policy is based on close cooperation between different levels of authorities, interactions between them and development bureaus. Despite the complicated system of plans, it is effective and has brought some results. However, it is sometimes criticized for being slow and unable to deal with urgent problems which might occur.

The Japanese regional policy experience can be used in other countries dealing with problems of regional disproportion, such as Russia and the Eastern and Central European countries.